GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:99
ANSWERED ON:18.02.2003
FINANCIAL CRISIS IN FACT
K. MURALEEDHARAN

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

e :

(a) whether the Government are aware about the financial crisis faced by 'FACT' Cochin;

(b) if so, the details thereof;

(c) whether the FACT facing any shortage of 'NAPTHA'; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) : Yes, Sir.

(b) : The year-wise details of the losses suffered by FACT are as under :-

Year	Rs. crore
1998-99	48.26
1999-2000	39.80
2000-01	151.50
2001-02	(+)0.63#
2002-03	208.00(Estimated)

(upto January, 2003)

The company had suffered an operating loss of Rs.226.25 crore during the year. However, due to grant of financial relief by the Government of India by way of writing off the interest on GOI loan amounting to Rs.226.88 crore, the company had madea marginal profit before tax of Rs.0.63 crore during the year.

(c) & (d) : FACT is receiving its requirement of Petroleum productslike Naphtha, etc. from Kochi Refineries Ltd. (KRL) and Bharat Petroleum Corporation Ltd. (BPCL).At present the supplier is granting one month free credit and one month credit on interest. The outstanding payment to the suppliers as on 31.1.2003 is about Rs.90 crore. As the company is facing a severe liquidity problem due to huge cumulative losses and high inventory of fertilizers, FACT is finding itdifficult to make payment to the raw material suppliers including KRL and BPCL from December, 2002 onwards.As a result of this, KRL andBPCL have resorted to stoppage of supplies frequently and presently FACT is procuring Petroleum products on cash and carry basis.